

CITY OF NORCO

Final Housing Element

June 1989

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BACKGROUND

In 1967, a housing element became the third mandated part of a General Plan. During the ensuing 22 years numerous revisions were made to the required contents of community housing elements. In 1981, Article 10.6 of the Government Code was enacted and now describes the content requirements of local housing elements. This legislation, commonly referred to as the Roos Bill, requires that a local housing element include an assessment of housing needs; an inventory of resources and constraints; a statement of goals, policies and objectives; and a five-year housing program.

The Housing Element is one of seven required elements which are included in the Norco General Plan. The Housing Element, in complying with the letter and spirit of Article 10.6, must respond to the four major issues which are listed below:

1. What are Norco's housing needs?
2. What can the City realistically do about meeting these needs?
3. What are the housing goals and policies of the City?
4. What specific actions can the City take to meet housing needs?

PURPOSE OF THE ELEMENT

The purpose of the Housing Element is to identify local housing problems and needs and to identify measures necessary to mitigate and alleviate these needs and problems for all economic segments of the community. Another key purpose of the Housing Element is to contribute to meeting the State housing goal as stated below:

"The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order." (Section 65581).

General, statewide purposes of local housing elements are influenced by the legislative policy and intent of Article 10.6. Section 65581 contains the following declarations which describe the legislature's intent in enacting the most recent revisions to the housing element law:

"(a) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward the attainment of the state housing goal."

"(b) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs."

"(c) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community."

"(d) The legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs."

The Housing Element is organized to present information according to the four principal topics listed below:

1. Housing Needs Assessment
2. Inventory of Resources and Constraints
3. Statement of Goals, Objectives and Policies
4. Five-Year Housing Plan

The first component is the assessment of housing needs which includes an analysis of the following factors:

1. Condition of the existing housing stock
2. Housing costs in relation to ability to pay
3. Housing needs of special groups
4. Population and employment trends and projections
5. Share of regional housing needs

The second component is the inventory of resources and constraints which includes an assessment of the factors listed below.

1. Land supply: residential acreage; availability of suitable residential sites
2. Availability and capacity of local public services and facilities
3. Residential land use and zoning controls

4. Building codes and enforcement
5. Site improvement requirements
6. Fees and other exactions required of residential developments
7. Local processing and permit procedures
8. Utilization of State and Federal housing programs
9. Land costs
10. Construction costs
11. Availability of financing

The third and fourth major components of a local housing element are described below:

1. "A statement of the community's goals, quantified objectives, and policies relative to the maintenance, improvement and development of housing." (Section 65583 (a)) (emphasis added)
2. "A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of housing element through the administration of land use controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state subsidy programs." (Section 65583 (a)) (emphasis added)

AUTHORIZATION

As noted earlier, housing elements were mandated by legislation enacted about two decades ago in 1967. In 1977, "Housing Element Guidelines" were published by the State Department of Housing and Community Development (D/HCD). The "guidelines" spelled out not only the detailed content requirements of housing elements but also gave the D/HCD a "review and approval" function over this element of the General Plan. In 1981, the Roos Bill was passed, thereby enacting Article 10.6 of the Government Code. This bill, in effect, placed the guidelines into statutory language and changed the D/HCD's role from "review and approval" to one of "review and comment" on local housing elements.

The legislation also requires an update of the housing element every five years. After adoption by the Norco City Council, another revised element is mandated by 1994. By that time, much of the data and statistics from the 1990 Federal Census of Population and

Housing should be available for the required update. The 1994 Norco Housing Element also will need to address the progress made on achieving the goals and objectives stated in this Housing Element.

1985 HOUSING ELEMENT

In accordance with State Law, Norco adopted a Housing Element in September of 1985. That document identified housing needs, goals, policies, and developed programs to implement those goals and policies. This Housing Element updates, evaluates those programs and analyzes "Progress to Date" in the next section.

BACKGROUND

Section 65588(a) provides that each local government shall review its housing element as frequently as appropriate to evaluate the following:

- (1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.
- (2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.
- (3) The progress of the city, county, or city and county, in implementation of the housing element.

Such an evaluation would focus on the following:

- (a) "Effectiveness of the element" (Section 65588(a)(2)): A comparison of the actual results of the earlier element with its goals, objectives, policies and programs. The results should be quantified where possible (e.g., rehabilitation results), but may be qualitative where necessary (e.g., mitigation of government constraints).
- (b) "Progress in implementation" (Section 65583(a)(3)): An analysis of the significant differences between what was projected or planned in the earlier element and what was achieved.
- (c) "Appropriateness of goals, objectives and policies" (Section 65588(a)(1)): A description of how the goals, objectives, policies and programs of the updated element incorporate what has been learned from the results of the prior element.






ELEMENT EFFECTIVENESS/RESULTS

The City's current Housing Element was adopted in 1985. During the four years since the adoption date, the following quantified results have been attained:

- 86 affordable senior apartment housing units have been developed.
- Approved 12 potential candidate lots for Phase I of the affordable housing program on scattered lots.
- Constructed 430 housing units during the past four years.

PROGRESS IN IMPLEMENTATION

The City's 1985 Housing Element established the following numerical objectives:

1. A viable means for private development to meet the needs for affordable senior citizens and/or handicapped housing:
 - Annual review of the number and kind of units shall be conducted. (Accomplished; ongoing)
 - Site survey periodically updated to designate the specific sites suitable for development of affordable housing. (Accomplished; updated periodically)
 - Invite proposals from developers and non-profit sponsors to undertake projects. (Accomplished as part of infill program on scattered substandard lots.)
 - Provide funds or financing programs to insure these units are affordable. (Redevelopment Agency funds targeted to facilitate the production of affordable housing.)
 - Reduce permit and facilities fees based on staff involvement and cost. (Not yet implemented on a project basis.) 
 - Assure that units will remain affordable. (Not yet implemented on a project basis.) 
2. Construction of affordable units on existing A-1 zoned lots that are less than 20,000 square feet in area.
 - Survey to identify lots and an inventory maintained from the findings. (Accomplished)
 - Develop incentives for the development of at least ten affordable housing units. (Incentives accomplished; units not yet constructed; quantified objective will be continued in the future.) 
3. A program shall be developed for the siting of mobile homes in accordance with mobile home regulations.
 - Priority sites shall be identified. The priority designation shall preclude consideration of other sites and proposals are received. (Not yet accomplished.) 
 - The City shall develop incentives for the development of at least five mobile units annually. (Not yet accomplished.) 

- The City may provide funds or financing programs to insure these units are affordable. (Affordable housing resources from the Redevelopment Agency may be used.)
4. An inclusionary zoning ordinance should be considered requiring 10% or one in ten units in new developments to be priced in affordable ranges.
- The ordinance would apply only to new developments. (Not yet accomplished.) ★
 - Alternatives for retaining the affordability of units should be developed and implemented. (Not yet accomplished on a project basis.) ★
5. The City shall continue participation in the Section 8, Existing Rent Subsidy Program through the County of Riverside. (Accomplished; 14 households served.)
6. The City shall review the need to establish a mortgage write-down program via Tax-exempt Revenue Bonds. (Under study and review.)
7. The City shall establish an annexation policy to provide suitable sites for affordable housing.
- A committee shall be established to review all lands within the adopted Sphere of Influence or other nearby lands that can be served by the City for suitable sites and that will provide higher densities and/or lower land and development costs. (Under study and review.)
 - The City shall be the applicant in the rezoning and annexation applications, and lead agency in the Environmental Impact Review in pursuing annexations. (Implementation program established.)
8. The City shall establish a Capital Improvement Program through the Redevelopment Agency to outline a strategy and schedule to provide for public improvements in existing neighborhoods lacking full urban services such as water, sewer, streets, drainage, trails, and parks. (Accomplished)

9. A housing rehabilitation program shall be established to preserve the existing housing stock.
- Areas shall be identified which presently exhibit the greatest need for a rehabilitation program and City efforts shall be concentrated in those areas. (Accomplished)
 - The housing rehabilitation program shall be administered by the Riverside County Department of Housing and Community Development (Accomplished)
 - The City shall actively promote the rehabilitation program through advertisement in water billing and local newspapers. (Accomplished)
 - A code inspection program shall be offered free to low-income homeowners or occupants to determine deficiencies in the units and establish a reasonable rehabilitation plan. (Under implementation on a compliant basis.)
10. The City shall pursue a more effective energy conservation program aimed at reducing housing operation costs, particularly gas and electricity by encouraging the public utility companies to continue their public awareness and rebate programs. (Accomplished)
11. Those existing or potential residents seeking information on available housing or have questions, complaints, or disputes concerning private or public housing in the City will continue to contact the City for assistance. The City will serve in a referral capacity on an as-needed basis. Individuals seeking assistance will be referred to the appropriate public agencies, community-based organizations, and other service providers. The City will also utilize its Senior Citizen Program through the Parks Department to assist seniors with housing questions or problems. (Accomplished)

APPROPRIATENESS OF GOALS, OBJECTIVES AND POLICIES

The updated Housing Element builds upon the foundation provided by the goals, objectives and policies of the 1985 Housing Element. The 1989 Housing Element focuses, though, on the following:

- Continuation of rehabilitation programs financially supported by the Community Development Block Grant Program and implemented by the County.
- Facilitation of new affordable housing construction on scattered substandard lots on an infill basis.
- Emphasis on the use of the 20% set-aside, Low and Moderate Housing Fund, as a means to facilitate the production of new affordable housing.

INTRODUCTION

The Housing Needs Assessment encompasses the following factors:

- Analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. Such existing and projected needs shall include the locality's share of the regional housing need. (Section 65583 (a) (1) of the Government Code) (emphasis added).
- Analysis and documentation of household characteristics including level of payment compared to ability-to-pay, housing characteristics, including overcrowding, and housing stock condition. (Section 65583 (a) (2)) (emphasis added).
- Analysis of any special housing needs, such as those of the handicapped, elderly, large families, farm workers, and families with female heads of household, and families and persons in need of emergency shelter. (Section 65583 (a) (6)) (emphasis added).
- Analysis of opportunities for energy conservation with respect to residential development. (Section 65583 (a) (7)) (emphasis added).

With the foregoing in mind, the needs assessment is presented under the following four subject headings:

1. Housing Stock Condition
2. Existing Housing Needs for All Income Levels
 - Ability to pay
 - Overcrowding
 - Special housing needs
3. Projected Housing Needs for All Income Levels
 - Population trends
 - Employment trends
 - Share of regional need
4. Energy Conservation in New Development

HOUSING STOCK CONDITION

Introduction

There are differences between housing stock condition and housing improvement needs. The term "condition" refers to the physical quality of the housing stock; the quality of individual housing units or structures may be defined as either sound, deteriorating or dilapidated. Housing improvements, on the other hand, refer to the nature of the "remedial" actions necessary to correct defects in the housing condition such as demolition, minor repairs, major repairs and rehabilitation.

Assessment

As of January 1988, Norco had a housing stock comprised of 5,923 dwelling units and a population of 24,742. Most of Norco's housing units are single-family dwellings; the composition of the housing stock for the years 1980 to 1988 are illustrated in Table 1.

TABLE 1
COMPOSITION OF THE HOUSING STOCK
1980 to 1988

	Single-Family	2-4 Units	Multi-Family	Mobile Homes	Total
			5 Units+		
1980 Census	5,199	84	113	34	5,430
1981	5,203	84	113	34	5,434
1982	5,214	84	113	34	5,445
1983	5,228	84	113	34	5,459
1984	5,248	84	113	34	5,479
1985	5,262	84	113	34	5,493
1986	5,299	84	113	36	5,530
1987	5,426	84	199	36	5,657
1988	5,604	84	199	36	5,923

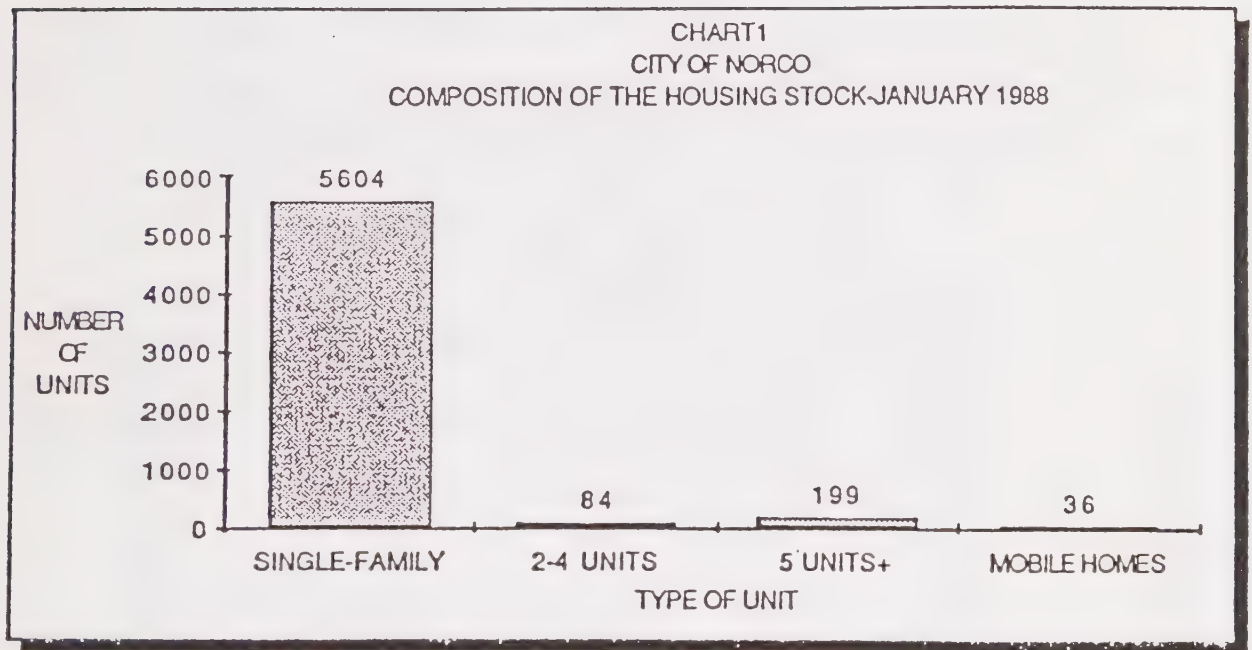
Source: State Department of Finance, Housing Unit Estimates, January 1, 1988.
Table construction by Castañeda & Associates.

In 1980, the City's housing inventory included 5,430 dwelling units. Between April 1980 and January 1988, the stock has increased by 493 dwellings. Most of the net gain was in single-family homes as noted in Table 2 on the following page.

TABLE 2: CHANGES IN THE HOUSING SUPPLY: 1980 - 1988

	<u>Number of Units</u>
• Single-Family	405
• 2 - 4 units	0
• 5 units +	86
• Mobile Home	2
Total Units:	493

Source: 1980 Federal Census of Population and State Department of Finance.
Table construction by Castañeda & Associates.

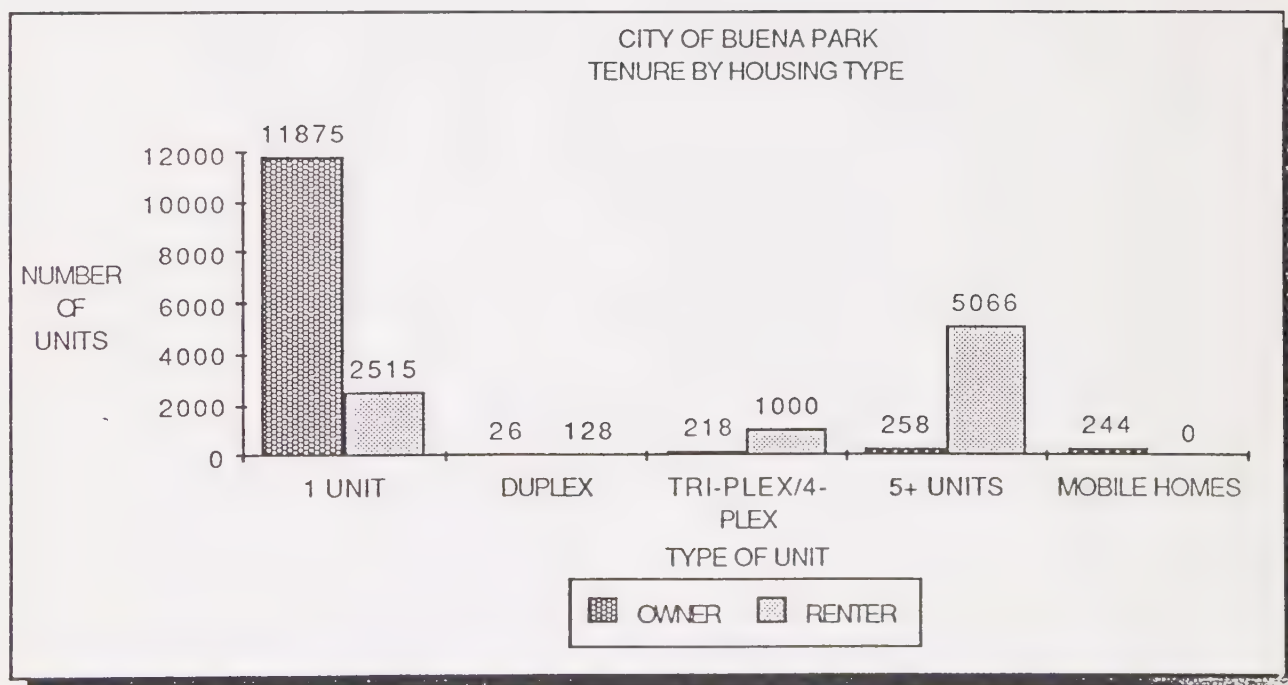


The majority of the housing supply is owner-occupied; 85.7% of the stock in 1980 was owner-occupied versus 14.3% as renter-occupied. Tenure data by housing type are shown on Chart 2.

TABLE 3
OWNER/RENTER RATIOS BY HOUSING TYPE

	# Owner	% Owner	# Renter	% Renter	Total
Single-Family	4,554	87.6%	645	12.4%	5,199
2 - 4 Units	40	47.6%	44	52.4%	84
5 units +	32	28.3%	81	71.7%	113
Mobile Homes	29	85.9%	5	14.1%	34
Total:	4,655	85.7%	775	14.3%	5,430

Source: 1980 Federal Census of Population
Table construction by Castañeda & Associates



Norco Housing Condition Survey

During the month of March 1989 Castañeda & Associates conducted a housing condition survey in the City of Norco. The study area was east of the 15 Freeway and was subdivided into 36 separate units (neighborhoods). The field surveyors conducted a "general reconnaissance" of the neighborhoods only noting the general appearance and visible defects. The data collected was expressed as a percentage of the total units on a given street. For example, 30% of the units on Pinto Street in neighborhood six required roof work. The percentages for each neighborhood were then averaged to arrive at an approximate percentage for the neighborhood as a whole. Each of the percentage for the neighborhood were then averaged for a study area total. Table 4 on the following pages illustrate the survey's findings.

According to the State Housing Element Law, estimates are necessary of housing units needing rehabilitation and/or replacement. The 1989 housing condition survey established that less than 10% of the housing stock is in need of rehabilitation and that 29 units are in a dilapidated condition and should be replaced.

TABLE 4
CITY OF NORCO
SUMMARY OF HOUSING CONDITIONS FOR SURVEY AREA

Neighborhood	Roof	Paint	Minor Repair	Major Repair	Dilapidated	Junk Car/ Trash	Mixed Age
1	42.0%	22.0%	10.0%	8.0%	11	----	1
2	38.3	11.7	11.7	11.7	6	----	
3	79.1	45.9	21.4	1.8	1+	----	2
4	66.0	46.0	14.2	8.3	1	----	1
5	72.0	64.0	16.0	10.0	1+	----	1
6	50.0	25.0	----	----	1	----	
7	76.0	42.5	9.2	----	6.7	----	1
8	83.0	16.0	----	----	----		
9	42.5	35.0	----	7.5	----	----	1
10	75.0	65.0	----	10.0	5.0	----	1
11	53.3	53.3	20.0	6.7	10.0	1	2
12	66.7	40.0	20.0	----	4	----	1
13	70.0	10.0	----	----	----	----	1
14	65.0	55.0	----	----	----	----	1
15	83.3	57.5	----	1+	5 %	----	----
16	79.0	28.0	----	6.0	2.0%	----	----
17	38.3	20.0	16.7	18.3	----	----	1
18	60.8	39.2	----	7.5	1.7%	----	----
19	43.3	20.0	----	1.7	----	----	----
20	66.0	28.0	----	----	1	----	----

Neighborhood	Roof	Paint	Minor Repair	Major Repair	Dilapidated	Junk Car/Trash	Mixed Age
21	80.6	5.06	18.8	2.5%	2.5%	----	1
22	61.7	57.5	25.0	1.7	3.3	----	1
23	70.0	70.7	4.3	5.0	----	----	----
24	OPEN AREA NO HOUSING UNITS						
25	48.8	47.5	----	2.5	2.5	----	2
26	72.5	45.0	----	----	----	1	1
27	70.0	30.0	----	----	1	1	----
28	85.0	----	----	----	----	----	----
29	41.2	17.5	4.1	----	----	----	----
30	67.5	27.5	5.0	----	2	1	----
31	66.7	47.5	18.3	2.5	----	----	2
32	38.8	60.0	----	2.5	----	----	1
33	72.1	42.1	5.7	----	----	----	----
34	93.3	26.7	—	—	—	—	2
<hr/>							
Study Area Avg.	63.6%	37.4%	6.4%	3.7%+	29+	4	25

Roof = % of units

Paint = % of units

Minor Repair = % of units

Major Repair = % of units

Dilapidated = % of units/number

Junk car/trash = # of units

Mixed Age = # of streets

EXISTING HOUSING NEEDS FOR ALL INCOME LEVELS

The housing needs of resident Norco households are presented in two ways:

- Housing assistance needs
- Special housing needs

An assessment of housing assistance needs includes the following:

Analysis and documentation of household characteristics, including level of payment compared to ability to pay . . . (Section 65583 (a) (2)) (emphasis added)

. . . a quantification of the locality's existing and projected housing needs for all income levels. (Section 65583 (a) (1)) (emphasis added)

Under present law, a housing element also must include an analysis of special housing needs. These needs refer to households having atypical characteristics -- the handicapped, elderly, large families, farm workers, female head of households, and families and persons in need of emergency shelter. Overcrowded households fall within the intent of the special housing needs analysis and must be included in the needs assessment.

Housing Assistance Needs

California housing law requires regional planning agencies to identify "existing" and "future" housing needs every five years. The Southern California Association of Governments is the regional planning agency responsible for estimating the existing and future needs numbers for the cities in the six county area encompassed by Ventura, Los Angeles, San Bernardino, Riverside, Orange, and Imperial Counties. In 1983, the need figures were contained in a report known as the Regional Housing Allocation Model; now, in 1988 the same planning tool has been re-named to Regional Housing Needs Assessment.

In the 1988 Regional Housing Needs Assessment (RHNA), existing need is defined as the number of resident lower income households paying 30% or more of their income for housing. Previously, the same definition had been used in the 1983 Regional Housing

Allocation Model (RHAM). The 1980 Federal Census was the primary data source for both the 1983 RHAM and 1988 RHNA.

The Southern California Association of Governments explained the methodology for an analysis of level of payment compared to ability to pay as follows:

The projection of households in need (lower income households paying over 30% of income for housing) was based on the percentage increase or decrease of total households in a locality between 1980 and 1988. If the percentage change in households was a plus 10%, then the proportion of households in the lower income categories was increased exactly 10%. This "scaling up" was accomplished in the following manner:

The first step was to take the RHAM 83 local jurisdiction percentage split between income groups (based on 1980 census data) and apply it to the figure for households for 1988. In this way, an estimate of households for each income category was derived.

The second step was to assume that households in need would be in the same ratio to non-overpaying lower income households as in 1980. The ratio for each jurisdiction's low and moderate income categories was used to get a gross estimate of households in need for each category. The percentage breakdowns between income groups and the breakdown by owner-renter categories were based on 1980 census information on income and tenure type. No more recent data on households income was available at the jurisdiction level which satisfied the needs of our analysis or state law (i.e., generally available data, replicable methodology for all jurisdictions, etc.)

The number of low and moderate income households in need could be adjusted downward by the number of households assisted by government subsidy programs which reduce shelter payments to no more than 30% of household income (e.g., lower income households assisted by Section 8 housing assistance payments or Public Housing subsidies). This adjustment would be made by local governments, outside the RHNA adoption process, when the local housing element is developed. (emphasis added)

On the other hand, the number of lower income households in need could be adjusted upward to account for the impact of homeless persons on the jurisdiction (households in need that are not living in an occupied unit). This adjustment would also be made outside of the RHNA adoption process. As provided in the new state law (AB 1996), the homeless needs assessment could be performed as part of the required "identification of adequate sites for emergency shelters," required in local housing elements.

According to the RHNA, there are 555 resident lower income households paying 30% or more of their income on housing costs. This number equals 9.8% of Norco's total

resident households. The income and tenure distribution of these 555 lower income households is listed in Table 5.

TABLE 5
CITY OF NORCO: EXISTING HOUSING NEED
BY INCOME AND TENURE: 1987

	Owner	Renter	Total
Very Low Income (0-50% of median income)	171	121	292
Low Income (50% - 80% of median income)	161	102	263
Total:	332	222	555

Source: Southern California Association of Governments, 1988 Regional Housing Needs Assessment for Southern California, Table 1: Existing Need June 1988.

Special Housing Needs

The State Department of Housing and Community Development has explained how special housing needs differ from other housing needs in the following terms:

"Special housing needs are those associated with relatively unusual occupational or demographic groups, such as farmworkers or large families, or those which call for unusual program responses, such as preservation of residential hotels or the development of four-bedroom apartments." *

* State Department of Housing and Community Development, "Housing Element Questions and Answers," (March 1984).

1. Handicapped Households

Households with one or more members who have physical handicaps sometimes require special design features in the housing they occupy. Some, but certainly not all, handicapped households also have housing assistance needs. The focus of handicapped households as a special need segment is primarily on their number and economic situation.

The needs and problems of the disabled and handicapped population have been described as follows:

The major housing problems of disabled people are the lack of affordable accommodations and inadequate accessibility to newly built or existing housing. These basic problems are caused by a variety of factors: a) subtle, or not so subtle, discrimination; b) lack of understanding and sensitivity to the needs of the disabled; c) lack of financial resources and incentives available to those who want to make their buildings accessible and; d) lack of knowledge as to how accessibility can be improved.

General solutions include: a) public recognition and commitment to correcting the problems; b) education of and dissemination of information to the public and building owners; c) modifications to existing codes and regulations; d) enforcement of existing laws and regulations; and e) increased financial assistance for housing programs. *

With respect to handicapped households, the 1980 Census contains data on persons who have physical disabilities that are work and/or public transportation related. According to the 1980 Census, there were 1,016 persons in Norco with a work disability, which was defined as a physical condition that impeded a person's ability to work. Of this total, 50.2% of the persons with a work disability were prevented from working. There are no income data reported in the 1980 Census for persons with these physical disabilities. Because of these data gaps, it is not possible to estimate the number of lower income householders with a handicapped condition that are residing in Norco.

* The Center for Independent Living Inc., Berkeley and the Northern Section, Cal Chapter of the American Planning Association, A Guidebook on the General Plan and Disabled, June 1981.

2. Elderly Households

Many senior citizens have fixed incomes and experience financial difficulty in coping with rising housing costs. The financial capacity for coping with increased housing costs depends heavily on tenure; that is, the owner or renter status of the elderly households. With infrequent and small increases in income and potentially large increases in housing costs, the senior renter is at a continuing disadvantage compared to the senior owner.

According to the 1980 Census, there were 1,063 persons who were 65 years of age or older which represented 5.7% of Norco's total population. The 1989 estimated, based on a straight-line extrapolation, is 1,201 persons 65 years +.

3. Overcrowded Households

Overcrowding is defined as housing units with 1.01 or more persons per room. In 1980, there were 194 households residing in overcrowded conditions. The distribution with respect to income group is as follows:

Income Below Poverty	23
Income Between 100 and 125% of Poverty	17
Income 125% of Poverty or Above	154

An estimated 3.7% of all the City's households were overcrowded in 1980. This percentage, applied to the estimated total households in 1988, yields a current estimate of 212 overcrowded households.

4. Farm Workers

Farm workers are one of seven special needs groups referenced in the State law. There were 235 Norco residents employed in the "farming, forestry and fishing" occupations in 1980. This employment category is an indicator of farm workers and farmworker households. The distribution of the 235 workers is as follows:

• Farm Managers	63
• Other Farm Workers	78
• Related Agriculture	94
• Forestry and Logging	-0-
• Fishing, Hunting and Trapping	-0-

Agriculture - related workers constituted 3.7% of all employed residents of Norco in 1980. It is assumed that percentage has either stayed the same or decreased since 1980.

5. Female Heads of Household

Demographic, social and economic conditions have combined to generate a demand for independent living quarters by households headed by females. Evidence from the 1980 Census of Population seems to confirm the consequences of this trend.

According to federal census data, the City of Norco had 848 female head of households. The number of female head of households represents 16.1% of all the City's households as of 1980. The 1980 Census also reported on the status of all female persons 15 years or older, as identified below. Based on a straight-line extrapolation of 1980 - 1989 population gains, there now is an estimated 924 female heads of household.

TABLE 6
CITY OF NORCO: STATUS OF FEMALE PERSONS -- 1980

	<u>Number</u>	<u>Percent</u>
• Single female	1,365	21.5%
• Married female	4,052	63.8%
• Divorced/separated	524	8.2%
• Widowed	<u>416</u>	<u>6.5%</u>
	6,357	100.0%

Source: 1980 Federal Census of Population and Housing.

6. Large Families

Large families are defined as households with five (5) or more persons. The most recent data available on this characteristic is from the 1980 Federal Census. That data, now eight years old, indicates that 21.1% (N = 1,111) of the City's total households had five or more persons. If this same ratio were applied to all the City's current number of households, there would be about 1,211 large-family households residing in Norco as of January 1988.

The ratio of large households to the total housing stock is well above the average for the majority of jurisdictions in Riverside County. However, it is reflective of the family oriented character of the community, which stresses the values of a semi-rural life-style (i.e. agrarian, large animal keepings, etc.) rather than economic necessity as illustrated by the fact that only 4.4% of the City's housing stock is overcrowded, as opposed to over 7% in the surrounding unincorporated areas of Jurupa and Corona-Norco. Refer to the charts on the following page for additional information.

TABLE 7
CITY OF NORCO: HOUSEHOLD SIZE -- 1980

Number of Persons in Household	Number of Households	Percentage Distribution
1	553	10.5%
2	1,411	26.8%
3-4	2,189	41.6%
5+	1,111	21.1%
	5,264	100.0%

Source: 1980 Federal Census of Population and Housing.

CHART 3
CITY OF NORCO
DISTRIBUTION OF HOUSEHOLDS BY SIZE-1980

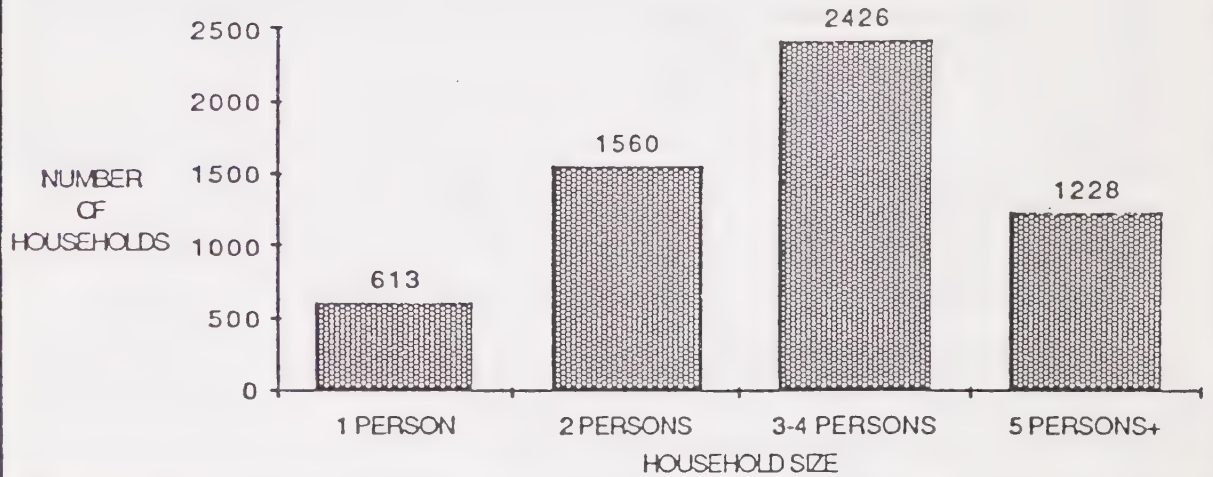
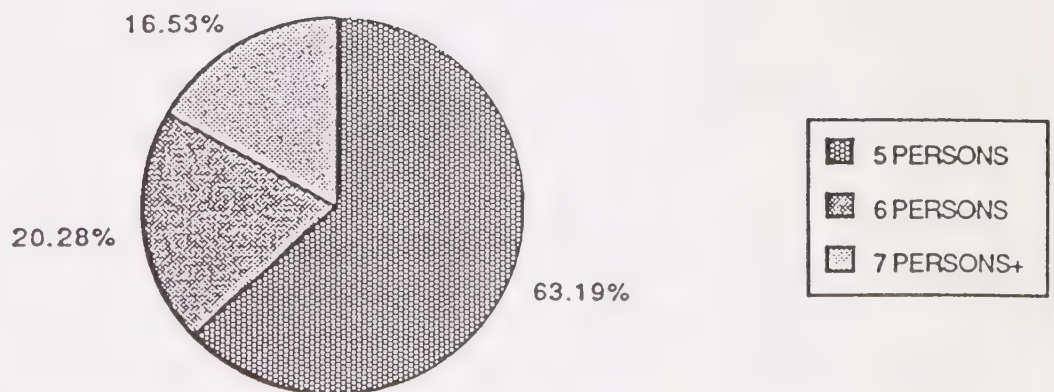


CHART 4
CITY OF NORCO
DISTRIBUTION OF LARGE HOUSEHOLDS-1980



7. Homeless

There are many social, economic and physical conditions which have combined to increase the homeless population throughout the State of California. In September 1984, the Governor signed Assembly Bill 2579, adding "families and persons in need of emergency shelter" to the special needs groups to be considered in each jurisdiction's housing element.

There are a number of organizations within Riverside County which are providing services to the homeless:

- Salvation Army
- Homeless Outreach
- United Way
- Riverside Community Action Group
- Public Social Services
- State Emergency Shelter Program

In addition, a number of Churches in the Norco and Corona areas provide services. The number of homeless within any community of southern California fluctuates daily, and particularly on a seasonal basis. However, County staff estimates that there are approximately 2 to 3 thousand homeless individuals Countywide. No quantification of the number of homeless people is available. However, an application of the ratio of the population of the City to the countywide population (3%) to the estimated number of homeless countywide (i.e. "fair share ratio") indicates there may be 60 to 90 homeless people residing within the City of Norco.

The majority of homeless people in the City are referred to a regional non-profit organization (Oracles of God Ministry) located in the City of Corona and the United Way which administers the State Emergency Shelter Program. The Oracles of God Ministry organization specializes in the placement of homeless men from the local churches in the City of Norco and other surrounding communities. The organization provides temporary housing and educating the men to help them lead a productive life. During the organizations 6 year existence, it has received approximately 30 homeless men.

The United Way provides shelter and meals for homeless families and individuals in the Norco/Corona region. This organization receives approximately \$10,000 per program from the State of California for sheltering homeless people. The majority of the United Way's agencies are headquartered in the City of Riverside, however, these headquarters have out-reach agencies located in various communities in Riverside County including the Norco/Corona region. The United Way agency for Norco/Corona utilizes the same boundaries as the Norco/Corona Unified School District to administer its programs. In the past year the United Way agency for Norco/Corona region has received approximately 65 homeless individuals. In addition, the agency has administered approximately 36 days and 3,000 units of service including meals from December 16, 1988, to March 1, 1989. During this time, 5 single parent families and 4 2-parent families. It is estimated that the agency receives approximately 250 homeless individuals per month from different regions throughout the United States. This organization receives referrals of homeless from the local churches in the City of Norco and other surrounding communities.

PROGRAM RESPONSES

Program responses for lower income households include the following:

- Additional Section 8 rental housing assistance through the cooperation of the Riverside County Housing Authority.
- Potential utilization of the Redevelopment Agency Low and Moderate Income Housing Fund to provide a local housing assistance payments program.
- Potential utilization of the Redevelopment Agency's resources to establish a first time buyer program.
- Possibility for the use of the Section 202 seniors housing program.

Norco has a high percentage of owner-occupied housing units based on past development trends and demand for housing. Most program responses that are available to address need relate to the needs of renter households. The City does address these needs, to the extent possible, in the HAP goals for housing assistance.

PROJECTED HOUSING NEEDS

Introduction

This section of the Housing Element discusses the various factors which induce a demand for housing. The factors include a review of population and employment trends as well as the City's "share of regional housing need."

Population and Employment Trends Analysis

Between April 1980 and January 1988, the population of Norco increased from 19,732 to 24,742. Concurrently, the number of housing units increased by 493 dwelling units. It must be noted, however, that population totals include the inmates in the California Rehabilitation Center (C.R.C.) located within the City limits; a population which ranges between 4,000 to 5,000, and fluctuates daily. This factor, if not identified, could substantially skew population and housing figures.

Share of Regional Housing Need

Article 10.6 Requirements

Under Section 65584 (a), regional planning agencies are responsible for determining projected housing needs for all income levels. The projected housing needs must take into consideration the following factors:

- Market demand for housing
- Employment opportunities
- Availability of suitable sites
- Availability of public facilities
- Commuting patterns
- Type and tenure of housing needs
- Housing needs of farm workers

In addition, the distribution of housing need, pursuant to the state housing element law, must seek to avoid further "impaction" of jurisdictions with relatively high proportions of lower income households.

State legislation describes the content requirements of local housing elements. According to the State housing element legislation, "... a locality's share of the regional housing needs includes that share of the housing needs of persons at all income levels within the area significantly affected by a jurisdiction's general plan." (Section 65584 (a)). In addition, according to that same section, "Each locality's share shall be determined by the appropriate councils of government consistent with the criteria " set forth by the State Department of Housing and Community Development. In the case of Norco, this appropriate council is SCAG.

Southern California Association of Governments (SCAG) Criteria

Definition of Need

"Existing" and "future" need are identified by SCAG every five years pursuant to the authority granted in the state housing law. "Existing Need" is defined as the number of lower income households currently overpaying for housing; that is, expending 30% or more of income on housing costs as of January 1, 1987. "Future Need" is defined as the

number of additional housing units by income level that will have to be added to each jurisdiction's housing stock from July 1, 1989 to June 30, 1994 in order to:

- Accommodate household growth
- Compensate for demolitions and other inventory losses
- Achieve a 1994 vacancy rate that will allow the market to operate efficiently.

Definition of State Income Levels

Four income levels are identified in state law that must be considered in the Future Need calculations. These are:

- "Very Low" -- less than 50% of the Riverside County median income
- "Low" -- 50% - 80% of the median income
- "Moderate" -- 80% - 120% of the median income
- "High" -- more than 120% of the median income

According to SCAG:*

"Identification of Future Need for the higher income levels gives each jurisdiction an estimate of effective demand, or how much demand for housing there will be in the locality as a function of market forces. Future Need at the lower income levels is often largely latent demand, since such income levels, without subsidy or other assistance, are often ineffective in causing housing to be supplied." (emphasis added)

Avoidance of Impaction

The State housing law requires that in allocating future housing need by income level further "impaction," or concentration of lower income households, be avoided. Cities with a percentage of lower income households higher than the regional average are called "impacted" jurisdictions. The 1988 RHNA deals with the "avoidance of impaction" criteria by allocating reduced percentages of lower income and increased percentages of middle and upper income units to impacted jurisdictions, while reversing the allocation to non-impacted cities.

* Southern California Association of Governments, Draft 1988 Regional Housing Needs Assessment, March 1988, page 8.

Use of RHNA Numbers

According to SCAG: *

"... there has been a great deal of miscommunication and misunderstanding of the true significance of these numbers. They are NOT quotas for development which cities must reach by 1994. Rather, they are an identification of regional housing need and an allocation of it by jurisdiction. ... when a jurisdiction finds in its Housing Element that the allocation is not achievable by 1994 for certain reasons explicit in the State Housing Law, it may modify these numbers in accordance with State law."

Future Need

As explained earlier, future needs identifies the number of housing units (by income level) that should be added to each jurisdiction's housing stock from July 1, 1989 to June 30, 1994. In addition, "the State HCD has pointed out to SCAG that localities must account in their Housing Elements for the Future Needs that will have already occurred during the 1-1/2 year "gap" period from January 1, 1988, to June 30, 1989. In order to do this, each jurisdiction should make adjustments to its planning for the 1989-94 period by comparing what will have actually occurred in the 1/88-7/89 "gap" period to the estimated accrual of need ..."

Table 8 indicates the projected housing needs for the City of Norco, through mid-year 1994. The projections indicate a need for 320 market rate housing units during the planning period. In addition, the RHNA forecasts a need for 118 housing units for very low- and low-income households. Meeting the needs of these households usually requires housing subsidies and financial assistance.

* Southern California Association of Governments, 1988 Regional Housing Needs Assessment for Southern California, March 1988.

TABLE 8
CITY OF NORCO: REGIONAL HOUSING NEEDS ASSESSMENT
JANUARY 1988 TO JULY 1994

<u>Income Level</u>	<u>Number of Households</u>	<u>Percentage Distribution</u>
Very Low	52	11.9%
Low	66	15.0%
Moderate	63	14.3%
High	<u>257</u>	<u>58.8%</u>
Total:	438	100.0%

Source: Southern California Association of Governments, 1988 Regional Housing Needs Assessment for Southern California, July 1988.

ENERGY CONSERVATION IN NEW DEVELOPMENT

Under current law, the housing element must include the following:

"Analysis of opportunities for energy conservation with respect to residential development." (Section 65583 (a) (7)).

In relation to new residential development, and especially affordable housing, construction of energy efficient buildings does add to the original production costs of ownership and rental housing. Over time, however, the housing with energy conservation features should result in reduced occupancy costs as the consumption of fuel and electricity is decreased. This means the monthly housing costs may be equal to or less than what they otherwise would have been if no energy conservation devices were incorporated in the new residential buildings. Reduced energy consumption in new residential structures, then, is one way of achieving more affordable housing costs when those costs are measured in monthly carrying costs as contrasted to original sales price or production costs. Generally speaking, utility costs are among the highest components of ongoing carrying costs.

Because of the limited projected new dwelling unit growth of the City of Norco, a large scale program of energy conservation with respect to residential development is not considered necessary. However, the city will enforce the State's energy conservation regulations on all new dwelling units. Special attention to energy conservation opportunities also will be given to any large-scale residential developments that may be proposed in the future.

Appropriate energy conservation goals and policies are stated in the conservation and open space element. These are listed below:

Objective 7.0

- Reduce the City's demand upon conventional, non-renewable sources of energy.

Policy 7.a

- The City shall require new developments to incorporate energy conservation measures and promote alternative energy systems.

In addition, policy 4.e of this Housing Element states the following:

- The City shall encourage site planning and design standards that promote state of the art energy conservation in new and improved residential developments that go beyond the Title 24 measures mandated by the State or that address different areas.

INTRODUCTION

This section of the Housing Element provides an inventory of resources and constraints relevant to addressing Norco's housing needs. Under present law, the element must include an inventory of resources and constraints as follows:

- An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.
- Analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements fees and other exactions required of developers, and local processing and permit procedures.
- Analysis of potential and actual non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land and cost of construction.

In October 1987, an interpretation of the State Attorney General added new insight on how the Councils of Government must determine a locality's share of regional housing need. The question posed to the Attorney General was as follows:

Must the availability of suitable housing sites be considered based upon the existing zoning ordinances and land use restrictions of the locality or based upon the potential for increased residential development under alternative zoning ordinances and land use restrictions. (emphasis added)

The Attorney General's opinion * in regard to this important question is as follows:

We find no indication in Section 65584 that current zoning ordinances and land use restrictions are to limit the factor of the "the availability of suitable sites". A housing site would be unsuitable based upon its physical characteristics, not because of some governmental control of an artificial and external nature. The planning process of Sections 65583 and 65584 contemplates an identification of adequate sites that could be made available through different policies and development standards. Existing zoning policies would be only one aspect of the "available data" upon which the factor of the "availability of suitable sites" is to be considered under Section 65584. To argue that this part of the general plan is required to conform to existing zoning practices would be anomalous and circuitous, since Section 65860 requires the zoning ordinances of a locality to be consistent with its general plan. Subdivision

(d) of Section 65584 emphasizes this fact that expressly providing that a local government's share of the regional housing need is not subject to reduction, except in one narrow circumstance, by:

" . . . any ordinance, policy, or standard of a city, county, or city and county which directly limits, by number, the building permits which may be issued for residential construction, or which limits for a set period of time the number of buildable lots which may be developed for residential purposes."

Our construction of Section 65584 is consistent with the goals of the statutory scheme as a whole (SS 65580-65589.3) and the particular requirements specified for housing elements (S 65583). The legislation has as its primary purpose "to expand housing opportunities and accommodate the housing needs of Californians of all economic levels." (S 65580, subd. (b)). Cities and counties are directed to "recognize their responsibilities in contributing to the attainment of the state housing goal." (S 65580 subd. (a)). Each local government is "to cooperate with other local governments and the state in addressing regional housing needs." (S 65580 subd. (e)). Allowing a city or county to prevent being allocated a share of the regional housing needs through restricted zoning ordinances would be contrary to the manifest intent of the Legislature.

The housing element of a local government must specifically include:

"An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites. (S 65583 subd. (a)(3)).

* Opinion of John K. Van De Kamp, No 87-206, September 29, 1987.

It is the "relationship" on current zoning ordinances that must be considered with respect to suitable housing sites. No hint of limitation may be found in the use of the term "relationship". Section 65583 also requires that a housing element include a five-year program that will:

"Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing or all income levels . . . " (S 65583 subd. (c)(1)).

Such language unmistakably contemplates that zoning ordinances and land use restrictions may require modification during the five-year period to accommodate a locality's projected housing needs. Consistent with this interpretation is the requirement that the five-year program.

"Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing." (S 65583 subd. (c)(3)).

These "governmental constraints" must be analyzed in detail in the Housing Element; the Element must contain:

"Analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures." (S 65583 subd. (a)(4)).

In sum, a local government must provide in its housing element for the existing and projected housing needs of all economic segments of the community (S 65583). In doing so, it is required to identify suitable housing sites (S 65583 subd (a)(3)). The city or county must identify those sites "which will be made available through appropriate zoning and development standards" during the ensuing five-year period (S 65583 subd (c)(1)). It must "undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls" (S 65583 subd (c)). The required consideration and evaluation to zoning changes necessary to meet the identified needs of the community would be precluded by allowing existing zoning limitations to define what housing sites are "suitable".

A council of governments thus would not be able to perform the task mandated for it without consideration of land uses that are possible despite existing zoning restrictions. The "suitable sites" factor to be considered by a county pursuant to Section 65584 must be read in conjunction with the phrase "land suitable for residential development" of Section 65583 that requires consideration of zoning limitations but is not limited to lands presently zoned for such development.

We conclude that a council of governments must consider the availability of suitable housing sites based not only upon the existing zoning ordinances and land use restrictions of the locality but also based upon the potential for increased residential development under

alternative zoning ordinances and land use restrictions when determine a locality's share of the regional housing needs.

Site Availability

Land availability by land use designation are described by the Land Use Element. Listed below are the acreage allocated to each residential land use designation:

<u>Designation</u>	<u>Acre (ac)</u>
Agriculture (.1 to 1.0 du/ac)	60
Residential - Agricultural (0 to 2 du/ac)	4,813
Residential - Low Density (3 to 4 du/ac)	150

An estimated 2,500 to 3,000 housing units can be built on infill and vacant land in the City. The total new construction need can be accommodated by Norco's land inventory. About 54% of the City's land inventory is designated for residential land use at densities of 0 to 2 or 3 to 4 dwelling units per acre. The goal of affordable housing in Norco is to be satisfied by facilitated new production at existing densities rather than by up-zoning or density increases. A minimum of 50 units (as described on page 56) of single-family housing for low and moderate income families are to be produced by scattered substandard lot development.

ANALYSIS OF GOVERNMENTAL CONSTRAINTS

Introduction

The Housing Element must include an analysis of potential and actual governmental constraints upon the maintenance, improvement or development of housing for all income levels. The potential and actual constraints included and required in the scope of analysis are listed below:

- Land Use Controls-Federal, State and Local;
- Building Codes and their Enforcement;
- Site Improvements;
- Fees;
- Local Processing and Permit Procedures.

The analysis is of those regulatory factors over which cities have extensive influence. The purpose of the analysis is to determine if, in fact, any of them do act as constraints to the maintenance, improvement or development of housing.

Land Use Controls

Federal and State

Federal and State legislation affecting both housing and development and affordability are too numerous to identify and analyze in a local housing element. However, air quality management plans of the South Coast Air Quality Management district (SCAQMD) exemplify factors which must be given due consideration in order to insure consistency between all elements of the City's General Plan. Pursuant to the Air Quality Management Plan, the Corona-Norco area is identified as a "housing rich/job poor" area indicating that a majority of residential commute to jobs outside the area, thereby contributing to degradation of air quality in a basin already identified as having poor air quality. In order to assist in mitigating this adverse effect, cities in such area are encouraged to promote employment generating land uses. The further conversion of vacant land designated for commercial or industrial use to increase housing supply would, therefore, be in conflict with the goal of air quality improvement. A similar rationale is applicable to state water quality improvement plans and legislature.

Local

These controls are established by the land use element of the General Plan and Zoning Ordinance provision which regulate the types, density and size of housing developed in the community. The City's land use element designates categories of agriculture and/or residential land use with density ranges from 0 to 4 dwelling units per acre; reflective of the City's agrarian life style. The amount of land available for development by each major category of land use is summarized in the following table:

TABLE 9
SUPPLY OF AVAILABLE LAND

<u>Land Use Designation</u>	<u>Acreage</u>	<u>Percent of Total</u>
Residential	4,963	54.0%
Residential-Agricultural (0 to 2 du/ac)	(4,813)	
Residential-Low Density (3 to 4 du/ac)	(150)	
Agriculture	60	1.7%
Commercial (all categories)	545	6.0%
Industrial (all categories)	675	7.4%
Institutional (state and federal facilities)	430	4.7%
Open Space (including schools, parks, hillsides vacant federal and state land, water related and cemeteries)	2,405	26.2%
Total Area:	9,178 (14.3 sq. mi.)	100.0%

As may be noted from the foregoing table, 55.7% of the total land supply of the City is designated for agriculture/residential land uses; commercial and industrial lands accounting for a combined total of 13.4% of the supply, institutional uses (California Rehabilitation Center and Naval Fleet Analysis Center) accounting for 4.7% of the supply and open space uses totalling 26.2%.

These figures are adjusted to reflect 1986 and 1987 releases by the Federal and State Governments of a total of about 285 acres of vacant land (open space category) for development; 145 acres to the Riverside County College District for the development of a Norco college campus, and 140 acres for the development of about 280 single-family homes. The City of Norco supported and participated in implementing appropriate

changes to land use designations to increase the City's supply of residential lands and to enhance educational opportunities for its residents.

With respect to zoning, housing development is permitted in Norco in a total of five (5) residential and/or agricultural zones as listed in the following table. Additionally, there is a full range of housing types (single-family and multi-family) allowed in the "C-4" commercial district.

Zone

A-E (Agricultural - Estate) 1 du/ac

A-1 (Agricultural - Low Density)

A-1-20 = 20,000 sq. ft. minimum lot size per du

A-1-2 = 2 acre minimum lot size per du

A-1-5 = 5 acre minimum lot size per du

A-2 (Agricultural)

A-2-5 = 5 acre minimum lot size per du

A-2-10 = 10 acre minimum lot size per du

R-1 (Residential Single-Family)

R-1-10 = 10,000 sq. ft. minimum lot size per du

R-1-15 = 15,000 sq. ft. minimum lot size per du

R-1-20 = 20,000 sq. ft. minimum lot size per du

R-3 (Low-Density Multiple-Family Residential)

R-3-6 = 6 dus per unit net acre

R-3-8 = 8 dus per unit net acre

PD Overlay Zone (Planned Developments) -- 1) the number of dwellings must not violate the General Plan densities of 0 to 2 dus per acre (Residential Agricultural) or 3 to 4 dus per acre (Residential-Low Density) and must be consistent with the applicable zone district mentioned above.

Building Code

The Norco Building Code is nearly identical to the Uniform Building Code (UBC). The Norco Building Code does not impose housing standards greater than those contained in the UBC. Therefore, Norco cannot reduce construction costs by revising its building code. The City of Norco has not adopted standards or other requirements through a local amendment process to model codes.

Fees

General Plan Amendment (GPA)	\$500 + \$10 an acre
Zone Change (ZC)	\$500 + \$10 an acre
Conditional Use Permit (CUP)	\$400 + \$50 an acre
Variance (V) Commercial/Manufacturing	\$400
Residential/Agricultural	\$250
Special Use Permit (SUP)	\$100 per site
Revised Site Plan (RSP)	\$100 + \$25 per acre
Site Plan (SP)	\$200 + \$50 per acre
Planned Development (PD)	\$400 + \$50 per acre
Subdivision - Parcel Map	\$400
Tract Map	\$700 + \$10 per lot
Lot Merger	\$100
Lot Line Adjustment	\$100
Relocation	\$300
Environmental Assessment	\$25

A comparison of fees with surrounding jurisdictions is found in Table 9 on page 32.

Site Improvements

Developers of residential land within Norco are typically required to construct streets, curbs, gutters, sewers, waterlines, street light in and trees in the public right-of-way. These facilities are then dedicated to the City, which is responsible for maintenance. The site development requirements are typical of many jurisdictions in Riverside County and the region with the exception that in recognition of the equestrian orientation of the community, the provision of sidewalks is NOT generally required, as natural horse trails are located in this portion of the right-of-way. Similarly, the majority of curbs are "rolled" curbing in recognition of horse traffic rather than the more costly "vertical" curbing as required by most communities.

The City of Norco collects residential sewer fees in addition to collecting building fees when assessed in a residential development. All residential developments are required to pay a sewer capacity exaction of \$1,520, a connection exaction of \$255, and a permit

exaction of \$50 totaling \$1,825. In addition to building fees, the City assesses plan check fees at 65% of the total building permit fee.

In comparison to surrounding communities, such as the City of Corona, Riverside, Chino and the County of Orange, the City of Norco's sewer exactions and building fees are equivalent or less than the above-mentioned communities. (See Table 10)

Processing and Permit Procedures

The city of Norco averages approximately six to eight weeks for processing planning related items, such as conditional use permits, variances, tract maps and other similar applications excluding special studies that may be required for processing such permits. Building plan check and permit processing for residential projects average approximately four to six weeks excluding revision and corrections to application submittals. In comparison to surrounding cities the City of Chino averages 8 to 10 weeks for processing all development applications, the City of Corona averages 12 to 24 weeks, and the City of Riverside averages 10 to 12 weeks.

TABLE 10
INVENTORY OF FEES

Type	Norco	Chino	Corona	Riverside Co.
GPA	\$500 + \$10 AC	\$1,560 + 13,380 EIR	\$600 + \$250 EIR	\$1,650 + \$25 ac/lot
ZC	\$500 + \$10 AC	\$913	\$600 + \$10 AC	\$1,050 + \$25 ac/lot
CUP	\$400 + \$50 AC	\$950	\$590 + \$10 AC	\$1,050 + \$25 ac/lot
V	\$400/\$250	\$605/\$30	\$500 + \$25 + \$10 LOT	\$450 + \$25 ac/lot \$125 + \$10 ac
SUP	\$100	-0-	\$100	\$30
RSP	\$100 + \$25 AC	\$591	\$350	\$825
PD	\$400 + \$50 AC	-0-	\$650 + \$10 AC	\$1,650 + \$25 ac/lot
TPM	\$400	\$700 + \$50 LOT	\$710	\$900
T T	\$700 + \$10 LOT	\$700 + \$50 LOT	\$775 or \$20 LOT	\$1,556 + \$25 ac/lot
LLA	\$100	-0-	-0-	\$550
LM	\$100	-0-	-0-	-0-
R	\$300	-0-	-0-	-0-
EA	\$25	\$520	\$250	\$150

Rental Housing

The average rent for a condominium and/or townhome in the Corona/Norco region is approximately \$800 per month, an unfurnished duplex is approximately \$500 per month, unfurnished apartments range from \$450 to \$550 per month, and unfurnished homes range from \$850 to \$1,200 per month.

Type	# RMS	Rent
Unfurnished apartment	1 bedroom	\$575 per month
Unfurnished home	2 bedroom/1 bath	\$725 per month
Unfurnished home	5 bedroom/2 bath	\$1,500 per month
(Press Enterprise -- March 1, 1989)		

Mobile Home Housing

The City of Norco adopted a mobile home/modular home ordinance in 1982 (NMC 18.30.24) which allows the establishment of mobile homes and/or modular homes, as a primary dwelling in all agricultural and residential zoning districts as a primary dwelling unit. Mobile homes and/or modular home in these districts are subject to:

1. Certification under the National Mobile Home Construction and Safety Standards (1974) in addition to the State of California insignificance of federal label;
2. Foundation requirements established by the Uniform Building Code (UBC);
3. A minimum 800 foot separation between another mobile home on the same street.

Second Units

As of April 29, 1988, the City of Norco was estimated to have 46 mobile homes existing within its City limits with an estimated population of 84 citizens occupying the mobile home units. (Department of Finance Report 4/29/88.)

Further, mobile homes not placed on foundations may be permitted as second dwellings on lots zoned for single-family residential use subject to approval of a Conditional Use Permit (CUP) which establishes the mobile home as a temporary dwelling for senior citizens.

NON-GOVERNMENTAL CONSTRAINTS

Introduction

Non-governmental constraints, within the center of the housing element legislation, consist of financing, land and construction costs. Usually, these factors are considered market conditions and also may include the prices and rents charged in the marketplace.

Sales Housing

A survey was conducted in March 1989, of currently listed for-sale housing. The intent was to arrive at a general indicator of housing prices based upon current advertised housing as reflected in the Multiple Listing Service (Norco Board of Realtors). The information is summarized below:

<u>Housing Type/Size</u>	<u>Low</u>	<u>Listed Price High</u>	<u>Average</u>
Single Family Detached:			
1-Bedroom	\$104,000	\$104,000	\$104,000
2-Bedroom	\$98,000	\$335,000	\$145,000
3-Bedroom	\$109,000	\$439,000	\$200,000
4-Bedroom	\$139,000	\$795,000	\$250,000
5+ Bedroom	\$255,000	\$695,000	\$268,000
Townhome/Condominium:			
0 to 2 Bedroom	-0-	-0-	-0-
3+ Bedroom	-0-	-0-	-0-

Construction Costs

Construction costs include the materials and labor which are involved in the structure itself. These costs will vary widely depending on the quality features (e.g., size, roofing, carpeting, etc.) which are incorporated in the structure. Because of these factors, it is difficult to establish an absolute measure of construction costs. An enhanced understanding of construction cost impacts is acquired by tracking the relative changes in this production cost category over time.

Trends in single-family construction costs are available for the period of January 1969, to October 1987. During this period the single-family home construction costs have increased nearly three-fold. A home that cost \$19,000 in 1969 would now cost \$67,500. These cost trends, which are monitored by the Marshall and Swift Company, and published quarterly by the Real Estate Research Council of Southern California, are issued with respect to a one-story three-bedroom, two bath, wood frame, single-family residence with an attached two-car garage. The prototypical single-family residence is 1,570 square feet in size with an attached garage of 447 square feet.

Apartment construction cost trends are available for the period between January 1976, and October 1987. During this time span, the apartment construction costs have more than doubled. An apartment building which in 1976 cost \$410,250 to construct would now cost \$858,400. The prototypical apartment building for the construction cost trends consist of 28 one- and two-bedrooms, laundry room and small lobby. The structure is of average quality and the costs do not include elevator, garages or site improvements.

Availability of Financing

In the first quarter 1989, a survey was published of mortgage interest rates throughout Riverside County. This financing study was conducted by TRW Real Estate Market Information and included the lending institutions listed above. Interest rates on 30-year fixed rate mortgages did not vary greatly, ranging from 11% to 11.415%. Points ranged from 1-1/2 to 2. The adjustable rate mortgages ranged from 8.5% to 9-5/8% with the loan index all being tied to the Federal Home Loan Bank Board 11th District monthly average cost of funds. The "cap" rates ranged from 13-5/8% to 14.1% percentage points.

Riverside County's major real estate lenders in 1988 include:

- | | |
|----------------------|------------------------|
| • Great Western Bank | • Wells Fargo |
| • Great American | • Security Pacific |
| • Directors Mortgage | • Bank of America |
| • Bank of California | • Home Federal Savings |
| • Home Savings | • First Interstate |

There has been a decline in interest rates since the 1985 Housing Element completion, which has prompted an increase in demand for new housing and refinancing of existing first and second mortgages. The economic and market condition has probably enable some Norco owners to reduce their housing costs as well as payments devoted to interest charges.

Housing production costs in Riverside County for a small 2 bedroom, 1 bath apartment have been estimated by a non-profit housing corporation as follows:

	Riverside
1. Building Costs 830 s.f. x \$34	\$28,220
2. Site Building Costs	10,000
3. Contractor Fees/Overhead	4,000
4. Land Costs	10,000
5. Financing Costs	5,000
6. Redevelopment Costs	5,000
Total Costs:	\$62,220
7. 12% Loan	\$640
8. Reserves for Replacement	50
9. Property Taxes	50
10. Maintenance	50
11. Landscaping	20
12. Management	50
13. Utilities, Common and Water	20
Total Per Month:	\$880
Less Affordable Rent:	\$402
THE AMOUNT TO REDUCE	\$478

1. Building costs represent the costs of construction from foundation to roof without design or engineering. The municipality could effect savings through reduced standards which would not affect health and safety.
2. Site building costs include such things as landscaping, streets, parking, garages and other off the building costs. This is an area where savings would be created through reduced parking standards and reduced public improvement requirements.
3. Contractor fees/overhead are the costs of a general contractor and or the in-house cost of construction management. No savings available in this category.
4. Land costs are assumed. Cities could create more affordability through increased density, reduced set-backs and most by way of buying down the land with CDBG in lieu fees.
5. Financing costs include property taxes, construction and permanent loan costs, insurance and appraisal. Favorable loans can be created through bond issues, utilization of the Savings Associations Mortgage Company and the California Housing Finance Agency.
6. Predevelopment costs include all those costs associated with getting the project approved by the municipality and the lender. The municipality can effect great savings through a management that is assured of the elected officials support for a project.

RESOURCES AND CONSTRAINTS SUMMARY

Pursuant to State requirements, an inventory of resources and constraints has been completed, including land availability, governmental constraints and non-governmental or market constraints. None of the governmental factors reviewed pose constraints to the maintenance, improvement or development of housing. The City's rehabilitation activity has been minimal and new development is limited. However, the revised housing program proposed to be commenced in fiscal year 1989/1990, will focus on the purchase and rehabilitation of existing housing stock as one of the more practicable approaches to enhance the affordability of housing for families of low to moderate income. During the next five years, the City may revise the building code provisions, fee schedule and processing procedures, as necessary and appropriate to address local needs.

Non-governmental constraints or market factors pose obvious constraints to the availability of housing affordable by lower income groups in resale, rental and new housing stock. The market-rate prices and rents of the standing stock are out of the economic reach of lower income households. In addition, without deep subsidies to reduce either production or occupancy costs, new housing cannot be built on the limited supply of vacant and appropriate underutilized land.

INTRODUCTION

This section presents the goals, objectives and policies of the Norco Housing Element. The purpose of this section is to establish general and specific guidelines for City actions and to meet the following requirements of State law:

A statement of community goals, quantified objectives, and policies relative to the maintenance improvement and development housing.

The City of Norco supports and endorses the state housing goal " . . . of a decent home and a satisfying environment for every Californian . . . " In addition, the City supports and endorses the five goals incorporated in present State law pertaining to the manner in which the actions of the City of Norco must be directed so that there is adequate provision for the housing needs of all economic segments. These are summarized below:

- Conserve the improve the condition of the existing affordable housing stock.
- Assist in the development of adequate housing to meet the needs of low- and moderate-income households.
- Identify adequate housing sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income groups.
- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.
- Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color.

GOALS, OBJECTIVES, AND POLICIES

Goals and Policies

Goal: (A) To promote the City's rural-residential, animal-keeping lifestyle.

Policy: Housing programs and subsequent projects and regulations will be evaluated on the basis of maintaining the City's rural atmosphere and protecting and enhancing animal-keeping.

Policy: The level of public services to residential areas of the City will be based upon the anticipated population projected and protection of the natural environment.

Goal: (B) To provide adequate housing in the City by location, type, price, and tenure, especially for those of low- and moderate-income and special needs households.

Policy: The City will seek Federal, State, and local funding to provide and subsidize low-cost housing.

Policy: The City will encourage public/private sector partnerships and cooperation in developing and implementing solutions to affordable housing.

Policy: The City will encourage developers to build a range of housing that is affordable, including low- and moderate-income households.

Policy: The City will encourage growth in an orderly manner to make the best and most efficient use of existing and future infrastructures.

Goal: (C) To encourage sound growth in the community by designating suitable sites for residential development.

Policy: Recognize environmental hazards and restraints will be taken into consideration during the planning of residential development in environmentally sensitive areas, such as the City's floodplains, hillsides, river bluff, and I-15 Freeway.

Policy: Logical annexation of adjacent unincorporated areas within the City's Sphere of Influence will be encouraged for housing when adequate service and proper land use plans have been developed.

Policy: The City will encourage residential infill within existing neighborhoods to better utilize existing services and utilities and to reduce infrastructure development costs.

Policy: The City will monitor its compliance with the 1989 SCAG - sponsored Regional Housing Needs Assessment (RHNA) and participate with SCAG in future projections of housing needs for the community.

Goal: (D) To improve and conserve existing residential neighborhoods.

Policy: The City will seek methods of preserving and enhancing existing neighborhoods with the City through capital improvement planning and redevelopment programs.

Policy: The City will continue to pursue housing code enforcement and nuisance abatement programs.

Policy: The City will encourage residents to take advantage of rehabilitation and energy conservation programs offered by the Riverside County Housing Authority and local public utility companies.

Goal: (E) To provide for a decent home and satisfying environment for all residents regardless of age, race, sex, marital status, ethnic background, income or other arbitrary factors.

Policy: The City will promote equal housing opportunity.

Goal: (F) To provide for the development of a variety of types of decent, safe, and sanitary housing for all people regardless of race, creed, sex, age, marital status, national origin, ethnic background, income or other arbitrary factors.

Policy: The City shall provide adequate municipal services necessary for the maintenance and upkeep of the existing housing supply.

Policy: The City shall encourage the continued high maintenance levels of the housing stock which are currently in practice.

Policy: The City shall enact and enforce codes and ordinances that will serve to correct substandard premise and structural conditions.

Policy: The City shall participate in appropriate state and federal housing programs.

Policy: The City shall participate with private developers, the County Housing Authority, and non-profit housing sponsors to contribute to its regional fair share of affordable housing.

Policy: The City shall cooperate with private developers and non-profit sponsors in the processing of applications and plans involving the development of affordable housing.

Policy: The City shall establish review procedures to ensure that households benefitting from the City's efforts to provide affordable housing are in the low and moderate income groups deemed eligible for such assistance.

- Policy: The City's Redevelopment Agency shall consider the use of the Affordable Housing Fund (20% tax increment set-aside) to address a variety of housing needs.
- Policy: The City will assure that a mobile home park closure impact report is compiled prior to the closure of any mobile home housing.
- Policy: The City shall support the formation and efforts of bona fide non-profit organizations and citizens groups who are eligible to apply for federal and state housing funds and who may sponsor proposals to provide affordable housing.
- Policy: The City shall include a full range of housing types in its implementation of programs that encourage the development of affordable housing.
- Policy: The City shall include a full range of housing types in its implementation of programs that encourage the development of affordable housing.
- Policy: The City shall enforce the Uniform Building Code, state sound insulation and energy standards, and other appropriate codes and standards to ensure that housing is decent, safe, and sanitary.
- Policy: The City shall require new housing to be in conformity with the locations and densities established in the land use element of the general plan and the City's zoning code.
- Policy: The City shall not permit the development of new projects found to be incompatible with existing residential neighborhoods located adjacent to or nearby the proposed project. It shall be the City's policy to encourage a compatible mix of housing densities.
- Policy: The City shall encourage site planning and design standards that promote state of the art energy conservation in new and improved residential developments that go beyond the Title 24 measures mandated by the state or that address different areas.
- Policy: The City shall encourage use of state of the art construction techniques and allow the use of alternative building materials to be extent permitted by health and safety standards.
- Policy: As required by State law, the City shall update and revise the housing element of the general plan at a minimum of once every five years.
- Policy: The City shall support actively legislative actions that will continue existing housing grant programs and provide local government with the discretion necessary to serve local housing needs adequately.

Policy: The City shall approve condominium conversions only when there is an annual average vacancy rate of three percent or less in the market in order to preserve Norco's rental supply.

Objectives

- Achieve the construction of 556 new housing units during the next five years (1989 to 1994).
- Achieve the rehabilitation of 118 dwelling units during the next five years (1988 to 1993).
- Facilitate the development of at least 50 dwelling units during the next five years to provide the City's fair share of housing for low and moderate income households in accordance with Article 10.6 of the California Government Code which defines low and moderate income families and households, relative to the share of affordable housing provided elsewhere in the County.
- Ensure that housing developments are of adequate quality and are compatible with nearby uses.
- Establish effective measures to ensure that the City continues to be responsive to the housing needs of the public.
- Make optimum use of the City Redevelopment Agency's 20% "set-aside" to assist in implementing the City's housing programs.
- During calendar year 1990, appoint a for the purpose of developing a positive approach to Article 34 referendum as a means of eliminating a constraint to the provision of rental housing assistance to families of low to moderate income.
- Facilitate the development of the Riverside Community College Norco Campus to enhance educational opportunities and the earning potential of Norco residents.
- Enhance employment and earning opportunities for Norco residents by promoting and facilitating the development of industrial and commercial properties within the City.
- Utilize redevelopment 20% set-aside funds to establish a home improvement low or interest fee, deferred loan program to assist in the rehabilitation and conservation of existing housing stock.
- Provide assistance to the owners of small businesses in the community to increase income and the range of housing affordability for such owners.

- Cooperate with other municipalities within the region to establish and maintain a regional shelter program to assist in meeting the temporary shelter needs of homeless families.
- Actively pursue obtaining federal and/or state grants to achieve the rehabilitation of 75 dwelling units for families of low income.
- Establish a housing repair program to assist in the rehabilitation and conservation of housing for families of low to moderate income.

INTRODUCTION

According to Section 65583 (c), a housing element must contain:

A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate Federal and State financing and subsidy programs when available.

Actions included in the housing program must address five specific areas, as listed below:

- Conserving the existing stock of affordable housing;
- Assisting in the development of affordable housing;
- Providing adequate sites to achieve a variety and diversity of housing;
- Removing governmental constraints as necessary;
- Promoting equal housing opportunity.

Norco's housing plan for addressing unmet needs, removing constraints, and achieving quantified objectives in accordance with City housing goals, policies and objectives is described in this section according to the foregoing categories.

HOUSING DEVELOPMENT PROGRAM

Due to its small population (less than 25,000) Norco is classified as a "non-entitlement" City. Additionally, the tax base of the community has historically been among the lowest of all cities in Riverside County.

In an effort to meet its housing responsibilities the City entered into an agreement with the Riverside County Department of Economic and Community Development (ECD) in March 1987, to develop and administer work programs intended to enhance housing opportunities for families of low to moderate incomes and to provide economic

assistance to small businesses within the community. The housing programs administered by the ECD are described as follows:

1. This program is designed to provide a minimum of fifty (50) units of single-family housing for families of low and moderate incomes and is comprised of the following four development components as approved by the Norco City Council on January 6, 1988.
2. Scattered substandard lot development. Over 400 vacant lots in the City, located in agricultural and/or residential zones are substandard to the minimum lot area requirements of the zone in which they are located.

REHABILITATION PROGRAM

The City administers a rehabilitation loan program to assist property owners in improving rental housing stock. A fair market rent will be subsidized in an amount necessary to qualify low to moderate income families which will be reduced from the loan amount on a monthly basis.

Example:

• Rehabilitation Loan	\$15,000
• Fair Market Rent	\$700
• Low/Moderate Affordability	\$400
• Subsidy	<u>\$300</u>
	\$14,700

PURCHASE EXISTING HOUSING STOCK

The City currently participates in the purchasing of existing housing stock for the resale to quantified low and moderate income families. The resale price of the homes is subsidized in an amount necessary to qualify low and moderate income families. A second lien is secured on the property in the amount of the subsidy which will be reconciled from the proceeds of any subsequent transfer of the property, unless sale is to another quantified low or moderate income family.

INFILL HOUSING PROGRAM

The City participates in the infill housing program with the Riverside County Economic Development Department (ECD) in the purchase and development of vacant lots suitable for single-family dwelling units which will be affordable for low to moderate income families. By contracting with the ECD the City has committed its CDBG entitlement funds and a portion of its redevelopment (20%) set-aside to promote the infill housing program.

IMPLEMENTATION POLICIES AND ACTIVITIES

The City's on-going and planned implementation activities are described below according to four categories: existing housing; housing assistance; new housing; and governmental factors.

Existing Housing

- To establish whatever regulations and enforcement procedures are necessary to ensure the proper maintenance of all residential dwelling units in the City of Norco.
- To pursue the rehabilitation, demolition and replacement of substandard dwelling units.
- To take actions aimed at the elimination of conditions detrimental to health, safety, and public welfare through code enforcement, the State Housing Law, interim rehabilitation assistance, and other appropriate City regulations and activities.

Housing Assistance

- To utilize the County of Riverside Section 8 (rent supplement) program to subsidize rental housing for low to moderate income families.
- To promote services of the County of Riverside Housing Authority relative to available housing rehabilitation, rent subsidy and home purchase programs.

Affordable Housing

- To provide incentives for development of a minimum of 10 affordable housing units annually.

Governmental Factors

- Identify areas and zone districts within the City that are appropriate for mobile homes in conformance with SB 1960.
- To continue to provide for the housing of low to moderate income families and senior citizens through implementation of the City's second unit ordinance.
- Adopt a local housing authority to provide housing assistance information in conjunction with the County Housing Authority.
- To encourage proposals from developers and non-profit sponsors to undertake the projects as specific needs are required.
- To provide funds or financing programs to ensure housing units are affordable.
- To reduce permit and facilities fees based on staff involvement and cost for affordable housing units.
- To exempt affordable housing projects from development fees or dedications for providing such units for low to moderate income families.
- To develop and pursue a energy conservation program aimed at reducing housing operation costs and to encourage public utility companies to continue their public awareness and rebate programs.
- To continue the Capital Improvement Program to outline strategy and schedule to provide for public improvements in existing neighborhoods lacking full urban services and infrastructures.

Housing Assistance -- Low/Moderate Income

In attempting to achieve the housing goals, the City has implemented several programs to provide affordable housing to persons of low to moderate income and senior citizens. The City has participated in providing assistance for the development of the Heritage Park Apartments, located at 2665 Clark Street, and has entered a cooperative agreement with the County of Riverside Department of Economic and Community Development (ECD) in administering ECD programs under contract.

The Heritage Park Apartment Development provided 86 senior citizen apartments which the City's Redevelopment Agency (CRA) provided assistance and incentives to the developer for providing the units at affordable rates. The CRA paid all building plan

check fees including electrical, plumbing, mechanical, sewer and water meter fees totaling \$315,164.37, amended zoning requirements such as parking, landscaping, open space, turn area ratios and density for the project. In return for the assistance and incentives the developer was required to limit the age of the residents for the apartments to persons 62 years or older and establish rents in "affordable range" to families of low to moderate income estimated at 30% of 80% of the median income for not less than 10 years. The project density was amended to 43.7 du/ac totaling 86 du to 1.96 acres. The project includes 64 1-bedroom units at 640 square feet and 22 2-bedroom units at 677 square feet each. The project limits 1 person of 62 years or older per dwelling unit.

The City is participating in several of ECD Housing Development programs for providing housing at affordable rates in the City limits. The City participates in the County scattered substandard lot development program, small 1/2 acre subdivision program, housing rehabilitation program and purchase of existing housing stock. Under the County scattered substandard lot development the city has approved 12 potential candidate lots for Phase 1 where 5 of the 12 property owners have agreed to the appraisal of their property. In addition, the City has acquired 3 lots as of March 1989 and has contracted for the construction of 1 dwelling unit (APN 131-030-032) located at Detroit and Hamner Streets. Under the small 1/2 acre subdivision program the City is currently in the process of acquiring 6.173 acres (APN 125-160-005) from the Riverside County Flood Control District for the future development of a 10 lot single family residential tract. The draft tentative tract map has been submitted to the City for processing, design and site improvements. The City anticipates to purchase existing housing stock for resale of the property for low to moderate income persons and to insure availability of affordable units to such persons. The purchase of the existing stock will commence with the acquisition of real property for Phase I of the small half (1/2) acre program and the scattered infill housing program.

The Housing Rehabilitation Program

This will be an on-going program beginning with the completion of the property acquisition of the above-mentioned programs. The City will compile a list of housing in the property acquisition that will be code condemned for purchase. ECD will ultimately inspect all homes designated for purchase and determine eligibility for the program. A private contractor will perform the housing rehabilitation of the eligible units under

contract with the County. The City has requested ECD to verify if 13 Caltrans single-family rental units would qualify as affordable units. HUD has approved and accepted the units as potential affordable units offered at rental rates at 80% of median income and not more than 30% of the occupant's income.

In addition to the specific programs administered by ECD that the City is actively participating in there are several other programs available for housing rehabilitation in the County. ECD and the Riverside County Housing Authority are actively marketing the Housing Improvement Program (HIP) and the Senior Housing Repair (SHR) program available under Community Development Block Grant funds. Both programs offer loans and grants to property owners with existing residences and senior citizens for housing rehabilitation.

Since the two above-mentioned programs existence the programs have assisted a number of eligible seniors with minor home repair services and low to moderate income homeowners with low interest loans for major housing rehabilitation.

CITIZEN PARTICIPATION

In accordance with Article 10.6 of the Government Code, the manner of assuring citizen participation in the development and adoption of the housing element must be described. The City proposes to accomplish the requirement via the public work sessions, meetings, and hearing process. Public hearings during the adoption process will be held by the Planning Commission and City Council at which times area residents will be given ample opportunity to express their views on housing needs and priorities. A preliminary schedule for public review and hearings on the revised Housing Element is summarized as follows:

April 26, 1989: First public review of the draft Housing Element by the Planning Commission.

May 10, 1989: Public hearing on the Element by the Planning Commission.

May 17, 1989: Council work session on the draft Element.

May 20, 1989: Transmittal of such corrections to the draft Element to D/HCD as Planning Commission hearings determine to be necessary.

June 5, 1989: End of 45-day D/HCD review period (anticipate transmittal of D/HCD comments to the City between June 5 through June 15, 1989).

June 7, 1989: First public hearing on the draft Element by the City Council.

June 21, 1989: Second public hearing on the draft Element by the city Council, and adoption of the Element, contingent on receipt of D/HCD comments and response to same prior to, or concurrently with City Council consideration of the Element.



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